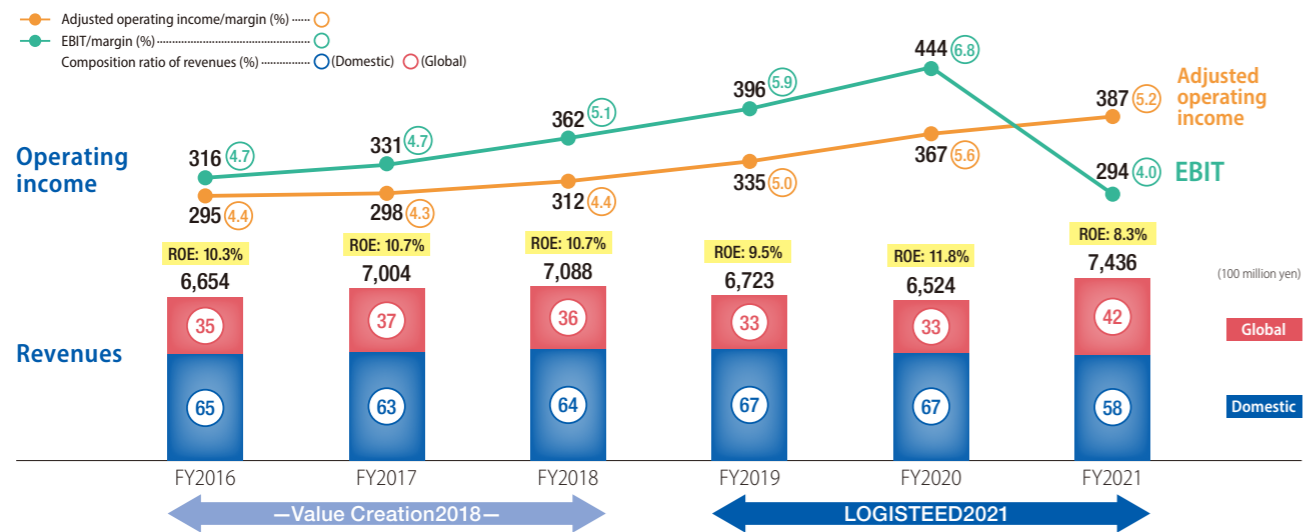


Review of LOGISTEED2021

Under the Mid-term Management Plan "LOGISTEED2021," the HTS Group had worked to solve issues and create "values" through various "collaborative innovation" with an aim to become the most preferred global supply chain solutions provider. As a result, the Group achieved record high revenues and operating income for FY2021.

Mid-term Management Plan -LOGISTEED2021-	
Period	FY2019-FY2021
Priority Measures	<ul style="list-style-type: none"> Implement portfolio strategy, including M&As and alliances, to build a solid core domain (Smart Logistics) Implement collaborative innovation strategy aiming at enhancement of the core domain and further expansion of domains Design supply chain based on and originating from the logistics domain Implement a topline growth strategy Originate and succeed operation (hands-on approach) toward the next generation Environment, social and governance as well as corporate ethics
Results	Revenues: ¥743.6 billion Adjusted operating income: ¥38.7 billion EBIT: ¥29.4 billion ROE: 8.3%

Financial results

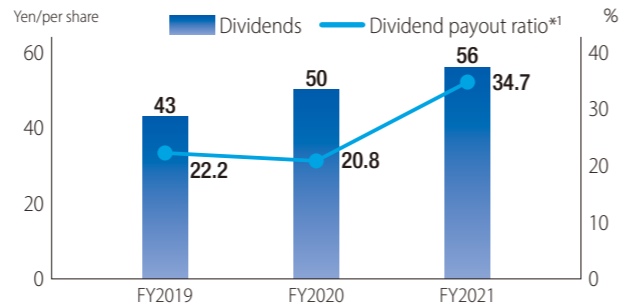


Non-financial indicators results

FY	2019	2020	2021
CO ₂ emissions (thousand tons-CO ₂)*1	120	113	111
Eco-friendly vehicle ownership ratio (%)*2	100	100	100
Frequency rate of workplace accidents*2	0.93	0.78	0.88
Severity rate of workplace accidents*2	0.013	0.019	0.017
Ratio of female managers (%)*3	4.7	4.9	5.5
Number of compliance trainings conducted*2	30	25	19

*1 HTS, domestic group companies (total of Scope 1 and 2)
 *2 HTS, domestic group companies
 *3 HTS only

Trend of dividend per share



FY	2019	2020	2021
TSR of HTS*2	106.7	168.1	300.3
TOPIX incl. dividend	99.6	141.5	144.3

*1 Dividend payout ratio: Dividend per share/(Net income attributable to stockholders of the parent company/Average number of shares during the term)
 *2 Index being the stock price as of March 31, 2017 as 100

TSR (Total Shareholder Return) outperformed TOPIX

Implementation Status of Priority Measures

1 Implemented portfolio strategy, including M&As and alliances, to build a solid core domain (Smart Logistics)

- Realized innovations through "Finance, Commerce, Logistics, and Information"**
 Transferred 40% shares of Hitachi Auto Service Co., Ltd. to Hitachi Capital Corporation (currently, Mitsubishi HC Capital Inc.) (Feb. 2019)
- Strengthened freight forwarding business to expand 3PL**
 Exchanged 100% shares of Nisshin Transportation Co., Ltd. for 20% shares of AIT Corporation (Mar. 2019)
- Reviewed portfolio**
 Transferred 70% shares of Hitachi Travel Bureau, Ltd. to BCD (currently, HTB-BCD Travel Ltd.) (Jul. 2019)
- Launched sharing service for logistics equipment**
 Acquired 70% shares of PALENET CO., LTD. from Hitachi Automotive Systems, Ltd. (currently, Hitachi Astemo, Ltd.) (Aug. 2019)
- Reinforced the system to centralize undertaking of logistics operation of cargo owners**
 Acquired distribution service business of Hitachi Life, Ltd. (currently, Hitachi Real Estate Partners, Ltd.) (Apr. 2020)
- Partially amended strategic and capital and business alliance with SG Holdings Group (Sep. 2020)**

2 Implemented collaborative innovation strategy aiming at enhancement of the core domain and further expansion of domains

Collaborative innovation strategy	Major collaborative innovation partners
Created values through collaboration between freight forwarding and 3PL	AIT Group, A.P. Moller-Maersk
Commercialized transport digital platform	Mitsubishi HC Capital Inc., Tokio Marine & Nichido Fire Insurance Co., Ltd., Sompo Japan Insurance Inc.
Promoted DX, sophisticated logistics, expanded the use of automated/labor-saving equipment	KDDI CORPORATION, Kyoto Robotics Corporation, Mujin, Inc.
Provided one-stop 3PL/delivery service, improve efficiency of both groups through asset sharing	SG Holdings Group



3 Designed supply chain based on and originating from the logistics domain

- Developed DX strategy (Jan. 2021)
- Selected as a "DX Certified Operator" (May 2021) and "DX Stock 2022" (Jun. 2022) by METI
- Commercialized solutions
 - Digital transport platform: Started providing SSCV-Smart (Oct. 2020), Started providing SSCV-Safety (Jul. 2021)
 - Supply chain digital platform: Started providing SCDOS (Sep. 2019)
- Acquired patents for SSCV-Safety (Mar. and Jun. 2020, Feb. 2022)
- Acquired a patent for RCS (Apr. 2021)
- Started verification experiments for logistics sophistication using 5G (Oct. 2019)

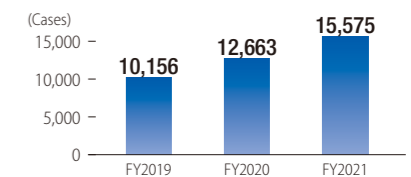


4 Originated and succeeded operation (hands-on approach) toward the next generation

Promoted VC activities*1

The HTS Group has been working on "VC activities" as daily improvement activities to implement the HB Way. We have been repeating a cycle where employees in each site and department exchange ideas under different themes, register initiatives in a dedicated system and carry out and follow up the improvement activities systematically. Approximately 38,000 new improvement initiatives were registered during the period covered by the Mid-term Management Plan.

No. of new improvement initiatives (Cases)



5 Environment, social, governance and corporate ethics

- Updated of the HTS Group Medium-to-Long-term Environmental Targets (FY2020)
- Signed the UN Global Compact (May 2020)
- Endorsed TCFD recommendations (Sep. 2021)
- Participated in "My Jinken Declaration (Declaration of Human Rights)" project (Jul. 2021)
- Received "A-" in CDP Climate Change Report (2nd straight year) (Dec. 2021)

FY2030 target	Reduce CO ₂ emissions by 50% (compared to FY2013)
FY2050 target	Net Zero Carbon

Achievements under LOGISTEED2021

- Implemented a portfolio strategy to build Smart Logistics as a solid core domain
- Implemented collaborative innovation strategy aiming at further expansion of domains

Remaining challenge

- Establish solid global management base